

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

UNSTARRED QUESTION NO:1477
ANSWERED ON:28.11.2000
CLOSURE OF MINES IN ECL .
BASUDEB ACHARIA;MAHBOOB ZAHEDI

Will the Minister of COAL be pleased to state:

- (a) whether the Eastern Coalfields Limited (ECL) have taken a decision to close down its 13 coal mines;
- (b) if so, the details thereof, location-wise;
- (c) the reasons therefor;
- (d) the steps taken or proposed to be taken by the Government for the revival of ECL mines;
- (e) whether high valued machinery was allowed to be damaged in Mugna area of Bihar;
- (f) whether an enquiry has been conducted in this regard; and (g) if so, the details and outcome thereof?

Answer

MINISTER OF STATE FOR COAL (SHRI N.T.SHANMUGAM)

(a) to (c): The Board of Directors of ECL in their meeting held on 22.10.98 resolved to close down 64 mines located in six areas of the company viz Pandaveswar (excluding KhottadihUG and OC), Satgram, Sripur, Sodepur, Salanpur and Mugma. The decision was taken by ECL Board in the context of the financial problems besetting the company for a very long period and after considering in detail the evaluation made in respect of the mines which could no longer be exploited economically. The resolution passed by the ECL Board on 22.10.98 was discussed and deliberated at various fora, including the Central Trade unions, Government of West Bengal and the Central Government. Based on these discussions, it was felt that a revival package, short of closure of mines and retrenchment of workmen, would have better acceptance. Accordingly, pending finalisation of report by ICICI, an interim plan was evolved in a meeting between the Chief Minister of West Bengal and the then Minister of State for Coal held in Calcutta on 25.11.98. The plan was discussed with the Joint Consultative Committee (JCC) of all the Trade Unions of ECL, but the same was rejected by them. Based on the feedback received from the Trade Unions, the subject was further discussed between the Ministry of Coal, CIL and ECL and a modified package was worked out. Despite a series of discussions on the modified package at the level of CIL and ECL and also at the level of the Joint Monitoring Committee, chaired by the Chief Secretary, Government of West Bengal, the Trade Unions did not accept the plan.

(d): CIL had engaged M/s. ICICI, a premier Public Financial Institution of the country to study working of all mines of Eastern Coalfields Limited (ECL) and to formulate plans for revival of the company. The final report of ICICI has been examined in the Ministry of Coal. No final shape to the revival package for ECL has so far been given for seeking approval of the Government.

(e): Due to heavy rain in September, 2000, an old shovel was drowned. This shovel is expected to be recovered by January, 2001.

(f): No, Sir.

(g): Does not arise in view of the answer given to part (f) of the question.